

Fiscal Year
2024
Proposed
Budget

CITY MANAGER FY 24 BUDGET OVERVIEW

August 1, 2023

CITY OF
LONG BEACH

A Few of Many Accomplishments Over the Past Year

- A total **Long Beach recovery Act Plan of \$296.6 million** with over **80 Recovery programs** being designed and implemented
- **\$10.3 million in grants** to small businesses and nonprofits
- Launched and awarded over **90 contract opportunities** to community-based organizations
- Over **\$7 million in repairs to the Queen Mary** with successful reopening and new innovative partnership with Port of Long Beach
- Significant actions as part of **Homelessness Emergency response** including launching of the Mobile Access Center program, new 85-bed emergency shelter, and purchase of new permanent Winter Shelter
- **\$14.7 million in loan support** for development of 4 **affordable housing** projects totaling 343 residential units
- **394 building permits issued for improving existing ADUs** and single-family homes in a total valuation of \$31.8 million

A Few of Many Accomplishments Over the Past Year (continued)

- The City's BizCare Program **assisted 1,213 businesses through the hotline, 118 businesses at in-person pop-ups, and visited 459 businesses** to provide direct assistance
- Commenced construction on both the **Artesia Great Blvd. and Market St. projects** representing over 5.5 miles of complete street improvements
- Completed \$18 million in **residential street repairs totaling approximately 56 lane miles**
- Repaired over 50,000 potholes, trimmed 24,000 trees, 1,030 unsafe tree removals, removed 320 tree stumps, planted 130 trees, and replaced 3,200 traffic signs and street name signs
- The Police and Fire Communications Center **dispatched over 295,000 emergency units**
- The Fire Department responded to over **80,000 fire, marine safety, and other emergency incidents** equating to over 155,000 unit responses

A Few of Many Accomplishments Over the Past Year (continued)

- More than **3.9 million library resources** were used/accessed during the year
- Long Beach Airport welcomed over **3.5 million passengers**
- Nearly **2,000 adoptions** through Animal Care Services
- **After school programs for ages 5 to 12 were offered at 22 parks** throughout the City on weekday afternoons
- **Over 210,000 Calls For Service responded to** by Police Officers, with average response time for Priority One calls at 5.1 minutes
- The **Quality of Life and Mental Evaluation teams made over 9,100 contacts** offering services to persons experiencing homelessness

FY 24 Budget Maintains Previous Year's Services

FY 24 Budget is \$3.2 billion, with 36 fund groups (made up of 126 funds) and 24 departments

Maintains current services and continues support for pandemic recovery

Makes additional investments that continue to allow General Fund shortfall to be covered with one-time solutions as previously planned



FY 24 Budget Balancing Journey – Adds Did Not Add to General Fund Shortfall

March 2023 Outlook:

Incremental Change View	\$ in Millions
<i>Previous FY 24 Shortfall Projection (June 2022)</i>	<i>(\$27.0)</i>
<i>Projected Additional Expenditure Increase</i>	<i>(\$18.9)</i>
<i>Projected Additional Revenue Increase</i>	<i><u>\$40.1</u></i>
<i>Projected FY 24 Shortfall</i>	<i>(\$5.8)</i>

General Fund Shortfall Maintained and Did Not Grow with Adds

The Proposed FY 24 Budget changes **maintained the General Fund shortfall** at \$5.8 m including key investments, additional revenue improvements, and \$2 million of additional Measure A support to maintain Police and Fire services

Cannabis Business License Tax Change and Tax Credit Program

In response to City Council direction, budget proposes to reduce the adult-use and cultivation business tax by one percent and implement a tax credit program. This has resulted in a \$3 million impact to the General Fund (revenue decrease of approx. \$1 m, and program expense of \$2 m). **This results in a General Fund shortfall of \$8.8 million.**

One-times Utilized to Balance and Reserves Maintained

FY 24 General Fund Budget Updates since March Projection (\$ in millions)			
	Surplus/(Shortfall)*		
	Structural	One-time	Total
Preliminary Shortfall as of March	(5.8)	-	(5.8)
Citywide Revenue and Expense Updates	1.9	-	1.9
Proposed Budget Changes	(5.0)	(26.9)	(31.8)
Revised Surplus / (Shortfall)	(8.8)	(26.9)	(35.7)
<u>Budget Balancing Solutions</u>			
Funds made available through LB Recovery Act		5.8	5.8
Cannabis Program and other reserves		3.1	3.1
General Fund Surplus in FY 23		19.4	19.4
Monsanto Settlement Funds		7.5	7.5
Final Surplus / (Shortfall)	(8.8)	8.8	0.0
Shortfall without the Cannabis tax reduction and pilot program for reference	(5.8)		

* A positive number helps bottomline fund status; a negative number is a hit/cost to bottomline fund status

Shortfall proposed to be covered with \$5.8 million of one-time funds made available through **the Long Beach Recovery Act** and \$3 million from **previously reserved cannabis tax revenues and other reserves**.

The Proposed FY 24 Budget also has \$26.9 million of one-time uses, funded by \$19.4 million anticipated FY 23 surplus funds **(from revenue recalibration and significant vacancy savings)** and \$7.5 million from the **Monsanto Settlement**.

General Fund Operating (\$16 million) and Emergency Reserves (\$47.8 million) remain intact

FY 24 Paves the Way for Strategic Vision 2030

9 key areas for enhancements identified, with feedback from:

5 community engagement meetings and Budget Priority Survey conducted in January and February

Priorities identified by City Council in a recent priority setting process.

Top priorities:
Housing/Homelessness, Public Safety, Education, Economic Opportunity

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Housing/Homelessness, Economic Development, Public Safety

Strategic Approach: Address key areas of priority, resolve the vacancy and hiring crisis, launch multi-year plan to invest in economic growth and reduce out-year structural shortfalls



Housing & Homelessness



Public Safety



Economic Opportunity, Equity & Resiliency



Education



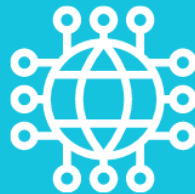
Climate & Environmental Sustainability



Mobility & Placemaking



Health & Wellness



Digital Equity, Inclusion & Technology



Our Government



Housing & Homelessness

- One-time funding of \$550,000 to support various site costs at 702 Anaheim St. to be utilized as a **permanent, year-round shelter** for people experiencing homelessness
- Structurally add **5 positions and materials** budget totaling \$743,750 to provide critically needed support for the administration of **programs and services for persons experiencing homelessness**
- One-time funding of \$150,000 for the purchase of a **van to provide shuttle services** for the Homeless Services Bureau
- One-time funding of \$60,000 to support the operating cost for a **shower/restroom trailer** servicing persons experiencing homelessness for a portion of the year

Housing & Homelessness (continued)

- One-time funding of \$300,000 to support the **clean-up of large homeless encampment sites**, including waste and other items illegally dumped in parks and open spaces.
- One-time funding of \$750,000 for a new **Resident Protection Fund** that will support the **Long Beach Justice Fund and the Tenant Right to Counsel** program.
- One-time funding of \$200,000 to be deposited in the **Housing Trust Fund for an Accessory Dwelling Unit (ADU) pilot program** that will aim to provide pre-fabricated ADUs to homeowners who would then rent the units to lower-income families that hold housing choice vouchers.
- Structurally add a **Customer Services Officer** position totaling \$185,304 to serve as the Permit Center Ombudsperson.



Public Safety

- One-time funding of \$1.3 million in the Police Department for a **Safety Response Unit to address current crime trends** through measurable and increased community engagement, education, and collaborative enforcement.
- One-time funding of \$500,000 to redesign the **Community Police Academy** and implement a new **Public Safety Youth Leadership Academy**.
- Structurally add Measure A funding of \$164,973 to add a **Jail Clinician for critical re-entry program** support.
- One-time funding of \$500,000 for a **Fire peak load staffing reserve** to bring on staff as needed on high demand days.
- Structurally add Measure A funding of \$900,000 to **fully fund the operations of Fire Engine 17** on the current overtime model.

Public Safety (continued)

- Structurally add Measure A funding of \$244,179 to bring dispatcher levels to pre-pandemic budget by adding **two Public Safety Dispatcher II positions**.
- Structurally add a **Communications Center Supervisor** totaling \$157,088 in the Fire Communications Center to enhance the efficiency of the 9-1-1 Emergency Communication Center.
- One-time funding of \$960,000 in the Police Department for the **Recruitment Incentive Pilot Program** to incentivize Recruits and Early Career Officers to reside in Long Beach and support officer childcare needs.
- One-time funding of \$300,000 to support **traffic enforcement and Vision Zero pilot** projects Citywide.
- One-time funding of \$400,000 to **add security cameras** to high priority parks or intersections.

Economic Opportunity, Equity, & Resiliency

- One-time funding of \$250,000 in the Economic Development Department for **Grow Long Beach** initiatives, including the initial consultant, site selector, and proactive business development for targeted industry clusters.
- One-time funding of \$200,000 for a proposed **downtown advertising district** to create a potential new revenue source.
- One-time funding of \$300,000 to **support revenue generation** specific to the city as part of the Grow Long Beach Initiative.
- One-time funding of \$300,000 for a **marketing and branding campaign and strategy** centered on the City's business attraction, expansion and retention activities.

Economic Opportunity, Equity, & Resiliency (continued)

- One-time funding of \$500,000 for a **Visit Long Beach advertising campaign**.
- Structural funding of \$125,000 for **City-funded parades and events** (Martin Luther King, Jr., Veterans, Daisy Lane, Dia de Los Muertos, and Jazz Fest).
- Structurally add **two Community Program Specialists** totaling \$265,227 for the **Cannabis Equity Program** including the Cannabis Equity Business and Cannabis Equity Hire initiatives.
- Increase structural funding by \$1.98 million for a **proposed Cannabis Pilot Tax Credit Program**.



Education

- Structurally add \$1,046,605 in the Library Services Department as part of the implementation of City Council's direction in the Adopted FY 23 Budget **to increase library hours across the library system.**
- One-time General Fund funding of \$300,000 in the Economic Development Department for the **Public Service Pathways Hiring program** to provide employment opportunities for recent graduates and current students of local colleges.
- One-time funding of \$60,000 in Parks, Recreation, and Marine Department and \$250,000 in the Police Department to support the **Collaborative After School and Teen Academy Programs.**
- One-time funding of \$500,435 in the Health and Human Services Department for **Community Based Grants and Incentives around Youth Development.**
- One-time funding of \$37,000 to host the **annual Long Beach Youth Festival.**
- One-Time funding of \$116,978 for youth development related services that will **bring the total Youth Fund to \$1 million.**

Education – Youth Fund & Youth Investments

In addition to the previous slide, the City is committed to investing in the community's youth by providing resources, opportunities, and support systems that will help them thrive.

Since FY 19 through the Proposed FY 24 Budget, the City has invested over \$115 million into programs supporting children and youth.



Mobility, Equitable Placemaking & Reimagining the Public Right of Way

Last year's 5-year infrastructure investment plan was \$533 million. This year through FY 27, the City is launching a new **Elevate 28 program**, funded by \$55.7 million is anticipated to be available from Measure A sources, and \$158.9 million from other funding sources for a total plan of \$214.6 million, to **revitalize the City's infrastructure, prepare for the 2028 Olympics, and continue to improve and enhance City parks, major corridors, and visitor-serving areas.**

In addition to the Elevate 28 5-year infrastructure plan, the **Proposed FY 24 Capital Improvement Program (CIP)** is **\$170.2 million.**

Other Critical Needs Investments

- Structurally Add a Senior Civil Engineer and Civil Engineer Associate in the Public Works Department totaling \$338,902 to support the **Sidewalk/ADA and bridge programs.**
- Structurally add a **City Traffic Engineer** totaling \$244,121 to oversee the newly created Traffic Engineering Division
- One-time funding of \$850,000 for **critical roof repairs and ADA upgrades at the El Dorado Neighborhood Library** and \$100,000 for **critical repairs at the historic Alamitos Neighborhood Library.**



Climate & Environmental Sustainability

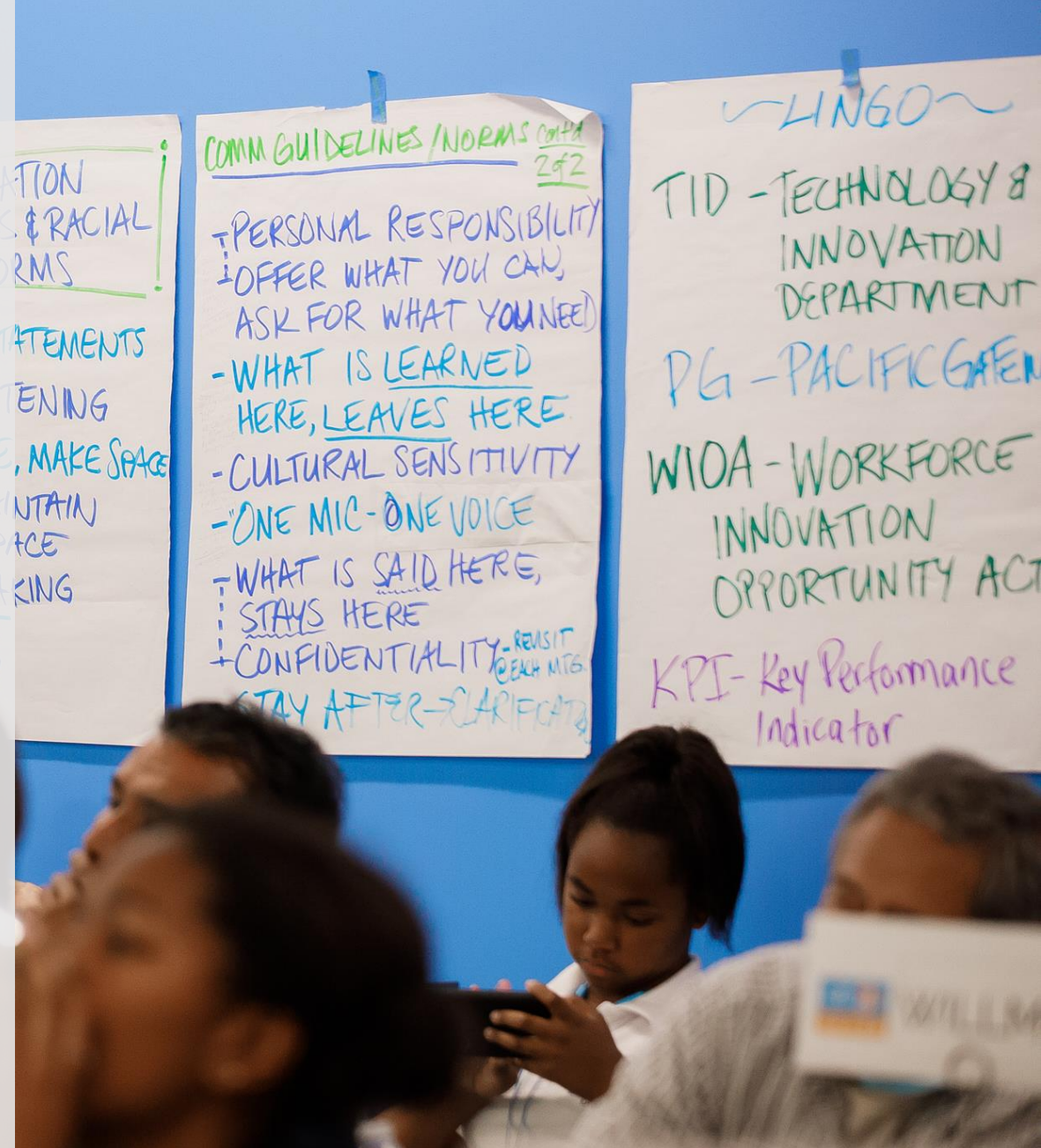
- Increase structural funding by \$300,000 and add one-time funding of \$700,000 for the **SCE Clean Energy Green Rate Program** to help purchase 100 percent green power for City accounts.
- One-time funding of \$7.5 million to **allocate Monsanto settlement funds** for projects and programs that prioritize impacts to water quality including tree planting; the Urban Forest Management Plan; water capture education and rebates; funding towards a trash interceptor barge; storm drain master plan phase 1 support, and critical improvements.

Health, Behavior, & Wellness

- Structurally add a Public Health Professional III position in the Library Services department totaling \$135,000 and in the Health and Human Services Department totaling \$146,228 to **coordinate the department response to the citywide mental health and homelessness crises and expand the capacity of the Mental Health Coordination team**, respectively.
- Increase structural funding by \$216,000 in the Parks, Recreation, and Marine Department to structurally fund the **Be S.A.F.E. Program** at all 11 sites.
- One-time funding of \$90,000 to continue support for **Hoops After Dark Summer Season** and \$190,000 to continue support for the **Mobile Recess Program**.
- Structurally add a Clerk Typist III in Financial Management and an Environmental Health Specialist II, a vehicle, and other costs totaling \$200,619 for implementation of **Citywide Sidewalk Vendor Program**

Digital Inclusion/ Technology

- One-time funding of \$400,000 in the Technology and Innovation Department and for **Smart City Pilot Programs and Civic Innovation Projects**, partially offset by \$200,000 in the General Fund.
- Structurally add a Digital Equity and Inclusion Officer position and a Community Program Specialist position in the Technology and Innovation Department to **permanently establish the Office of Digital Equity and Inclusion**.



Our Government

- One-time funding of \$1.7 million for citywide **recruitment and retention incentives**.
- Structurally upgrade three Civil Service Department positions totaling \$19,656 for **greater support onboarding city staff, reducing the time to hire, and identifying and attracting qualified candidates**.
- Structurally add 3 positions totaling \$383,762 in Human Resources to **bolster recruitment efforts citywide**.
- One-time funding of \$100,000 for **ongoing racial equity training**.
- Structurally add **one Deputy City Attorney** totaling \$240,031 for greater citywide support in many of the key priority areas of the budget.
- One-time funding of \$300,000 to develop a **down-payment assistance program for employees**.

Our Government (continued)

- **Create an Office of Ethics and Transparency** in the City Manager's Department to support the management of the City Charter Ethics Commission, Ethics Learning Program, and oversee the City's Public Records Act (PRA) program.
- One-time funding of \$300,000 for the **Language Access Program's interpretation and translation services.**
- One-time funding of \$300,000 in the Office of Equity to **support Long Beach Recovery Act program staff through the end of FY 24.**
- One-time funding of \$25,000 for the **Citizen's Advisory Commission on Disabilities (CACoD) and Equity and Human Relations Commission (EHRC)** trainings and community engagement.
- One-time funding of \$100,000 for a consultant to support **the creation, management, and oversight of cultural centers.**

Opportunities & Innovation

- Rename the Development Services Department to the **Community Development Department** to better describe the focus of the department.
- Look to expand and **rename the current Library Services Department to a Library, Arts, and Culture Department**, to respond to the growing interest in creating Cultural Centers and Districts.
- **Restructure the Public Works Department** to better meet target goals and implement the significant 5-year infrastructure improvement plan, the organics program, conduct a strong communications program, and invest in staff training and retention.
- Initiate significant and focused effort on **growing the city's revenue base** in line with the Mayor's Grow Long Beach Initiative to bring new revenue sources for the city and **move away from oil related revenues**.





Opportunities & Innovation (continued)

MAJOR HIRING CHALLENGES

- The City is experiencing a **significant hiring crisis** that is unsustainable.
- This will negatively impact the ability to meet service expectations if we cannot hire and retain essential staff.
- Critical need to adapt to address this major issue.
- **The Budget takes steps forward – Restructure Human Resources Department based on independent study** to enhance recruitment and retention efforts based on Study recommendations aimed at improving the recruitment and retention of new City employees.

General Fund Fiscal Outlook

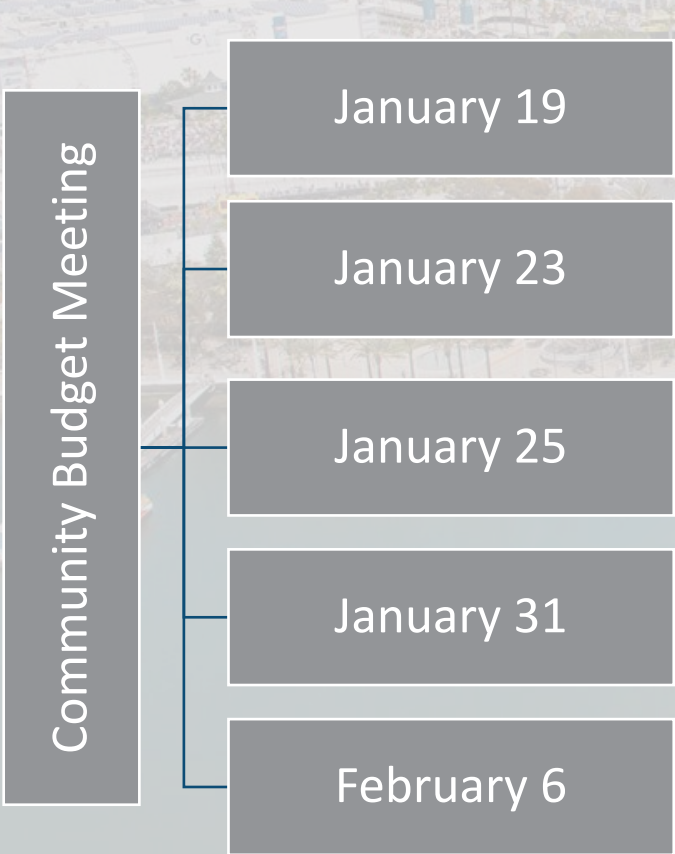
General Fund Surplus/ (Shortfall) in \$ Millions					
	FY 24 Proposed	FY 25 Projection	FY 26 Projection	FY 27 Projection	TOTAL
Surplus/(Shortfall) – Annual	-	(8.6)	(11.7)	(9.3)	(29.6)
<i>Shortfall from Previous Year</i>	-	(8.8)	-	-	(8.8)
<i>Surplus/(Shortfall)*</i>	-	(17.5)	(11.7)	(9.3)	(38.6)

**This chart assumes that any shortfalls are structurally solved each year, except FY 24*

- Assumes no recession
- Factors in the significant upward adjustment of revenue projections previously impacted by the pandemic
- Historically high of position vacancy savings currently experienced by the City do not continue.
- No resurgence of the pandemic
- Negotiated contract costs are included and general cost of living wage increase are assumed for contracts that expire. This assumption will be revised based on actual negotiated contracts

Budget Timeline

Through Today



Upcoming





Opportunities for Community Engagement

- Attend Budget Hearings
- Attend Budget Oversight Committee Meetings
- Attend Community Budget Meetings
- Complete the Proposed FY 24 Budget Digital Comment Card



**A RESILIENT
CITY FOCUSED
ON PROGRESS**

A city of many
accomplishments

A full-service city
providing a wide
variety of
comprehensive
services

A city that has maintained
resources and increased
support for the community
through the pandemic

A city with
committed and
dedicated
employees who
continue to perform
every day in
extraordinary ways

A city with strong
fiscal management
providing
foundation for
strategic and
prudent decisions
and investments

Strong leadership
from the Mayor
and City Council

The support and collaboration
of the City Auditor, City
Attorney, City Prosecutor, City
Clerk, Civil Service Executive
Director, Harbor Executive
Director, and the Utilities
General Manager

Elevate 28: Lifting Up Long Beach Youth, Culture, Neighborhoods for the 2028 Olympics

- Last year's 5-year infrastructure investment plan was \$533 million.
- This year through FY 27, an additional enhancement of \$55.7 million is anticipated from Measure A sources, and \$158.9 million from other funding sources for a total of \$214.6 million to prepare the City's infrastructure for the 2028 Olympics, continue to improve and enhance City parks, and make community and cultural focused investments throughout the City.
- The City's newly unveiled Elevate '28 capital improvement investment plan will prioritize key infrastructure investments that lift up areas of our city as we head into the 2028 Olympics by focusing on: youth sports facilities, parks and open space improvements, arts and cultural centers, and landmarking of historic sites amongst other investments. Projects in the Elevate '28 Plan are outlined in three sections:

2028 Olympic
Legacy

Gold Medal
Park Refresh

Community
& Cultural
Investments



Fiscal Year

2024

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More Information Available Online:
www.longbeach.gov/budget